

1500 - Grant Payments

General

These instructions provide guidelines and procedures to assist sponsors when making requests for reimbursement of the Federal share of Airport Improvement Program (AIP) projects.

Reimbursement Information

1. By accepting a grant, the Sponsor agrees to adhere to the Central Region's [ECHO Guidelines and Procedures](#) (pdf). This requirement is incorporated within the General Conditions of the grant agreement.
2. All grant payments are to be made using the Federal Transit Administration's (FTA) Electronic Clearing House Operation (ECHO) System.
3. A Sponsor **may not** seek AIP reimbursement **prior** to incurring costs. Cash advances are not permitted under the AIP.
4. The Sponsor must prepare a SF-271 form for each drawdown transaction.
5. Sponsor must retain supporting documentation for a period of three years from the date of project closeout.

ECHO System

ECHO is a personal computer (PC) web-based application that processes draw down requests and makes payment distributions to the sponsor. The ECHO system processes the payment requests by validating the individual payment request against the available project balance maintained by the Department of Transportation's (DOT) accounting system.

ECHO transmits requests approved for payment to the Sponsor's financial institution through the Department of Treasury's Automated Clearing House (ACH) system. Typically, Federal funds are deposited in the Sponsor's bank account within two business days.

ECHO System Requirements

ECHO requires a personal computer, an ISP (Internet Service Provider), and a current web browser (MS Internet Explorer version 5.5 or higher). Currently, Netscape Navigator is not supported. All hardware and software for ECHO is available off-the-shelf.

Federal Regulations

The Office of Management and Budget (OMB) Circulars A-102, A-110 and 31 CFR Part 205, governs payment to recipients for financing operations under Federal grant and other programs. These regulations require that payment to a grantee be limited to the minimum amounts needed and timed so as to be in accord only with the actual, immediate cash requirements of the grantee in carrying out the approved project. Sponsor must not seek reimbursement of eligible costs prior to incurring those costs.

RESOURCES

Forms

- ECHO Payment Report: [MS Word](#) | [pdf](#)
- SF-271, Outlay Report (11x14): [MS Word](#) | [pdf](#)
- SF-271, Outlay Report (8½ x 11): [MS Word](#) | [pdf](#)

Guidance

- [ECHO Guidelines & Procedures](#) (pdf) – FAA Central Region Requirements
- [ECHO Web User Manual for FTA and FAA Grantees](#) (pdf) – FTA Manual

1510 - Drawdown Submittal Information

General

For each drawdown transaction that a Sponsor makes, the Sponsor shall provide the FAA project manager specific information detailing the transaction. Sponsors shall submit this information to the project engineer within two days from the transaction date.

Prior to Making Drawdown Transaction

1. Assemble Cost documentation
 - Invoices
 - Billing statements
 - Construction Progress Payment Reports
2. Complete SF-271 form:
 - Identify incurred eligible costs in appropriate line items
 - Verify that line "t" matches actual previous drawdown amount
 - Sign and date the SF-271

Making the Drawdown

After completing the above steps, the sponsor's authorized person may make the drawdown transaction on the ECHO system.

Be advised, the FAA reserves the right to request submittal of the above documentation prior to the Sponsor making the actual drawdown. The project manager will advise Sponsors whether or not this condition applies for their specific location.

Submittal Information

Submit the following documentation via fax or mail within two days for each drawdown transaction:

1. ECHO drawdown Report or print out of the ECHO screen.
2. Signed copy of the project outlay report (SF-271) or approved equivalent. Submittal of a SF-271 form with each drawdown automatically satisfies the fiscal quarterly reporting requirement.
3. Copies of cost documentation (invoices, billing statements, etc.) as required by the program manager.

Fax Numbers

The fax numbers for transmitting this information are
(816) 329-2610 (for equipment, land and development projects)
(816) 329-2611 (for planning projects)

RESOURCES

Forms

- ECHO Payment Report: [MS Word](#) | [pdf](#)
- SF-271, Outlay Report (11x14): [MS Word](#) | [pdf](#)
- SF-271, Outlay Report (8½ x 11): [MS Word](#) | [pdf](#)

Guidance

- [ECHO Guidelines & Procedures](#) (pdf) – FAA Central Region Requirements
- [ECHO Web User Manual for FTA and FAA Grantees](#) (pdf) – FTA Manual

1520 – Payment History

Sponsors that desire to verify AIP payment history are encouraged to utilize the U.S. Department of Treasury's [Payment Advice Internet Delivery](#) (PAID) system. The PAID system was developed by the U.S. Department of the Treasury's Financial Management Service (FMS) to provide participating Federal agencies a method of making remittance information available to their vendors through the Internet.

After receiving the registration acceptance notice, a vendor (grantee) can log into PAID and query on payments by date, date range, invoice number, dollar amount, agency, or any combination thereof. If a vendor registers for e-mail delivery of remittance data, they will receive a message containing their remittance information.

Sponsors may also contact the FAA accounting office at (405) 954-1814

1530 - Frequently Asked Questions: ECHO Drawdown Transactions

1. How do I get set-up with an ECHO account?

Contact the FTA Service desk at (202) 366-1004. A package of information and forms will be sent to your office. These forms require the sponsor to identify the name of the authorized official, a separate point of contact and your bank account information.

2. What is the project number that needs to be entered into the ECHO system?

While AIP grant numbers are typically written in a format similar to 3-XX-YYYY-ZZ, the project number for the ECHO system does not recognize the first digit of the grant number.

For Central Region AIP grants, the first digit of an AIP grant number is the number "3". In order to accommodate this limitation, the number "3" at the beginning of all grant project numbers must be dropped when entering the project number in the FTA ECHO system. For the above example, the project number entered into the ECHO system would be **XXYYYYZZ**.

3. I lost my password, how do I get a new password.

Contact the FTA helpdesk at (202) 366-1004 or by email at ECHO_Web@fta.dot.gov. The help desk is typically available from 8:00am to 4:00 pm Eastern time zone.

4. I made a drawdown request but have not received the funds after three days. What is the holdup?

For Sponsors located in the four-state Central Region (IA, KS, MO & NE), contact the FAA accounting division at (405) 954-1814 to verify if a rejection notice has been issued for the transaction. Please note that the most common rejection notice is a result of an improper project number.

5. We made changes to our bank account, authorized official and/or point of contact. What do I need to do in order to update my ECHO account?

Grantees are required to submit a new Authorization & Certification Letter and a Change/Modify Form. These forms are located in the appendix of FTA's [ECHO Web User Manual for FTA and FAA Grantees](#). These forms are required if there are changes to the following:

- Authorizing Official
- Individual users that have access to the system
- Recipient Organization Official
- Organization and/or user contact Information

Contact the FTA helpdesk at (202) 366-1004 to notify FTA of the update to your bank account. The help desk is typically available from 8:00am to 4:00 pm Eastern time zone.

A copy of the documentation should also be sent to the FAA Airports Division.

1540 - Improper Payments

Definition

OMB Circular 123 defines an improper payment as any payment that should not have been made or that was made in an incorrect amount under statutory, contractual, administrative, or other legally applicable requirements. Incorrect amounts are overpayments and underpayments (including inappropriate denials of payment or service).

An improper payment includes any payment that was made to an ineligible recipient or for an ineligible service, duplicate payments, payments for services not received, and payments that are for the incorrect amount. In addition, when an agency's review is unable to discern whether a payment was proper as a result of insufficient or lack of documentation, this payment must also be considered an error and thus improper.

Common Examples of Improper Payments

Listed below are some common situations that qualify as an improper payment.

1. Seeking payment for 100% of received invoices:

AIP participation is limited to a percentage of incurred eligible costs. For general aviation airports, relievers and small primary and non-primary commercial service airport, the AIP share is 95% of incurred eligible costs. The AIP share for large and medium hub commercial service airports is 75%. Sponsors that claim 100% of incurred costs meet the definition of an improper payment as thus out in violation of Federal Regulations and sponsor assurances.

As a best practice, reimbursement under the AIP project should not be made until a SF-271 form is properly prepared. Line "u" of the completed SF-271 represents the correct AIP reimbursement amount.

2. Sponsors seeking reimbursement under the wrong grant:

A grant agreement is a contract between the FAA and the Sponsor for a specific work description. Seeking reimbursement for costs not associated with the grant work description represents a lack of financial control and thus is deemed an improper payment.

As a best practice, the person making the actual drawdown should be kept informed on what grant agreements are active. The reimbursement should be based on the grant number identified on the completed SF-271 form.

3. Sponsor Seeking reimbursement without proper documentation:

Occasionally, sponsor may seek reimbursement of an incurred cost, but lose the associated invoice or billing statement. Although the cost may otherwise be eligible, the cost cannot be verified by a third party and thus would not be eligible under the AIP. This lack of cost documentation represents inadequate financial control and thus is an improper payment.

As a best practice, the sponsor should attach copies of all billing statements, invoices and other cost documentation to the completed SF-271 form. This practice will allow a third party to confirm the costs are proper and correct.

4. Sponsor including retainage costs in the construction costs:

Sponsors may only claim costs that have actually been incurred. How a sponsor applies retainage can create a situation of improper payments. The conventional practice for

sponsors is to retain 10% of completed work until the work is completed and accepted. The sponsor cannot seek reimbursement of the 10% retainage on interim requests. Once the project is accepted from the contractor, the retainage is released. Once the sponsor incurs this cost at acceptance, the Sponsor can seek reimbursement under the AIP. Seeking reimbursement of retainage prior to acceptance represents an improper payment and thus is a violation of Federal Regulation and sponsor assurances.

The exception to the above is the application of escrow accounts. Under this scenario, retainage is addressed by Sponsor payment to a legal third party escrow account. The escrow account may not be disbursed until the project is accepted by the Sponsor. Under this scenario, the Sponsor is incurring the cost of the retainage by payment to the escrow account. The sponsor thus may seek reimbursement of the incurred retainage payment.